

SECTION 1102.0 CONSTRUCTION MANAGEMENT PROCEDURES:

The **PROCEDURES FOR UTILIZING CONSTRUCTION MANAGEMENT (CM) CONTRACTS** which follow were adopted by the Secretary of Administration on September 7, 1988 and previously included in Chapter IX of the *Commonwealth of Virginia Capital Outlay Manual*. These procedures remain in effect and all references in other documents to the Construction Management Procedures in Chapter IX of the *Commonwealth of Virginia Capital Outlay Manual* shall be interpreted to mean these Construction Management Procedures in SECTION 1102.0 of the **Commonwealth of Virginia Construction and Professional Services Manual for State Agencies**.

PROCEDURES FOR UTILIZING CONSTRUCTION MANAGEMENT (CM) CONTRACTS

In accordance with the provision of § ~~41-41.2~~ 2.2-4306 of the *Code of Virginia*, I hereby adopt the following procedures for the procurement of construction management contracts which shall be followed by all departments, agencies and institutions of the Commonwealth (each of which is hereinafter referred to as the "Agency"). These procedures shall be effective ~~July 1, 1988~~ December 1, 2003 (or January 1, 2004).

- A. **LEGISLATIVE AUTHORITY:** Under authority of § ~~41-41.2~~ 2.2-4306 of the *Code of Virginia*, the Commonwealth may enter into a contract with a Construction Manager in accordance with these procedures. Under authority of § ~~41-41(C)(2)~~ 2.2-4303 (D) of the *Code of Virginia*, the Commonwealth is authorized to use competitive negotiation to procure Construction Management contracts.
- B. **CRITERIA FOR USE OF CONSTRUCTION MANAGEMENT:** Construction management (CM) contracts may be approved for use on projects with an estimated construction cost in excess of \$10,000,000 where 1) fast tracking of construction is needed to meet Agency program requirements and/or 2) where value engineering and/or constructability analyses concurrent with design are required. Projects under \$10,000,000 may be authorized for the use of construction management contracting if the agency can demonstrate to the Secretary of Administration that there are compelling circumstances for using construction management procedures on the project.
- C. **PROCEDURE FOR APPROVAL TO USE CONSTRUCTION MANAGEMENT:** The Agency shall request authority, in writing to the Director of the Division of the Engineering and Buildings, to use a CM contract. ~~Normally, the written request will be submitted with the Preplanning Study (See the Commonwealth Planning and Budgeting System Manual).~~

The request shall justify and substantiate that a CM contract meets the criteria found in paragraph B above and the use of CM is more fiscally advantageous than a competitive sealed bid construction contract with a general contractor ~~and shall indicate how the Commonwealth will benefit from using CM. The request will also include a written justification that competitive sealed bidding is not practicable and/or fiscally advantageous for the procurement of a Construction Manager.~~ The Director of the Division of Engineering and Buildings is the approving authority for requests to use CM.

D. PREQUALIFICATION PROCEDURES: On projects approved for CM, the Agency shall proceed as follows to pre-qualify offerors who may submit proposals.

1. The Agency shall appoint an Evaluation Committee which shall include a licensed professional engineer or architect provided by the Division of Engineering and Buildings. Agency members shall include at least one licensed design professional, if possible.
2. The Agency shall publish an invitation to pre-qualify (RFO) in at least two daily newspapers and on the On-Line Bids page of eVA, Virginia's central electronic procurement website. The URL is <http://vbo.dgs.state.va.us>. The requirement to publish on eVA may be waived by the Director of Engineering and Buildings in order to expedite the process.
3. The Committee shall evaluate each responding firm's submittals and any other relevant information and shall determine those deemed qualified with respect to the criteria established for the project.
4. In addition to the procedures described above for pre-qualifying firms for individual CM projects, the Division of Engineering and Buildings may establish prequalification procedures for particular types of construction projects in accordance with § ~~44-46~~ 2.2-4317 of the *Code of Virginia* and firms qualified under that procedure may compete for projects of the type for which they qualified unless the Director of the Division of Engineering and Buildings determines that further pre-qualification for particular project is desirable.

E. SELECTION PROCEDURES:

1. The Evaluation Committee will send Request for Proposals (RFP) to the pre-qualified firms and request submission of formal proposals from them.
2. The Committee will evaluate and rank the proposals and conduct negotiations with two or more offerors submitting the best proposals. Should the Agency determine in writing and at its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly

qualified than the others under consideration, then, with the consent of the Director of the Division Engineering and Buildings, a contract may be negotiated with and awarded to that offeror.

3. The Committee shall make its recommendation on the selection of a Construction Manager to the Agency head based on its evaluation and negotiations. The Agency head shall select the Construction Manager.
4. The Agency shall notify the Division of Engineering and Buildings of the Agency head's selection of the Construction Manager and shall request authority to award a contract by submission of GS Form E&B CO-8 and supporting documents for the Governor's approval.

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5. Upon receipt of the Governor's approval to award the contract, the Agency will notify all offerors who submitted proposals which offeror was selected for the project. In the alternative, the Agency may notify all offerors who submitted proposals of the Agency's intent to award the contract to a particular offeror at any time after the Agency head has selected the Construction Manager without waiting for the Governor's approval.

F. REQUIRED CONSTRUCTION MANAGEMENT CONTRACT TERMS: Any Guarantee Maximum Price construction management contract entered into by any department, agency or institution of the Commonwealth will contain provisions requiring that (1) not more than 10% of the construction work (measured by cost of the work) will be performed by the CM with its own forces and (2) that the remaining 90% of the construction work will be performed by subcontractors of the CM which the CM must procure by publicly advertised, competitive sealed bidding. In extraordinary circumstances the Director of Division of Engineering may grant a waiver of these contractual requirements in whole or in part.

/s/ Sandra D. Bowen

/s/ ~~Carolyn J. Moss~~ Sep 07, 1988

Secretary of Administration Date

Note: Original text, replaced by new text, is crossed out and new text immediately follows. New text, not replacing previous text, is underlined.